

State of Hawaii
DEPARTMENT OF LAND AND NATURAL RESOURCES
Division of State Parks
Honolulu, Hawaii

August '12, 2010

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

SUBJECT: Permission to Solicit for Bids and Enter into a Services Agreement to
Collect Entrance Fees at Diamond Head State Monument, Oahu

State Parks requests permission to solicit sealed bids to collect entrance fees at Diamond Head State Monument. At its meeting on August 22, 2008 (Item E-4), the Board approved State Parks' request to solicit sealed bids and enter into a services agreement with the awarded bidder (the Contractor), to collect entrance fees at Diamond Head State Monument. State Parks solicited sealed bids (IFB-09-DSP-001), and the lowest responsive bidder, Ampco System Parking (Contractor), was awarded the contract, #58613 (effective date October 1, 2009). The Contractor does not wish to exercise its option to extend the agreement for year two (2) of the bid award, necessitating State Parks to solicit bids again.

In this agreement with the Contractor, the State pays the Contractor to collect the entrance fee by paying for the Contractor's employees salaries, a management fee, entry tickets, and annual passes, and miscellaneous related costs. The cost for the services agreement in year 1 of the current contract with the Contractor is \$91,755.43. In addition to collecting the entrance fees and selling annual passes, the Contractor's employees provide limited visitor information about the park and the hike to the summit. The Contractor's employees have also been effective in managing the vehicle traffic in the park, especially during busy times of the day when the parking lot is full.

State Parks has reviewed the various options on how to collect the entrance fees: services agreement, concession, and State Parks staff. By contracting the entrance fee collection, the State avoids a large overhead and hiring of new State personnel. On busy days, the summit trail is at capacity, and any efforts to increase visitation would degrade the visitor experience and result in further erosion of the trail. Therefore, State Parks has chosen to maintain the existing level of visitation by retaining the current size of the parking lot as way to control visitor volume at the park

With the Board's concurrence, State Parks proposes to solicit bids for another one-year service agreement with an option to extend the agreement for two (2) additional

years. The scope of the agreement will remain basically the same – to collect entrance fees, manage the parking lot, and offer visitor information. We believe that a services agreement remains the most effective method to operate the entrance fee collection at Diamond Head State Monument.

RECOMMENDATION:

That the Board approve the request to solicit sealed bids and enter into a services agreement with the awarded bidder for entry fee collection at Diamond Head State Monument, Oahu for a period of three years from the contract effective date.

That the Board authorize the Chairperson to enter into any necessary extension(s) and/or revocable permit(s) (RP) to provide interim services to allow for the new contract to be fully executed and implemented.

Respectfully submitted,



Daniel S. Quinn
State Parks Administrator

APPROVED FOR SUBMITTAL:



LAURA H. THIELEN, Chairperson